ANNUAL REPORT

OF

THE PUBLIC SCHOOLS FINANCE BOARD

Province of Manitoba

For the year ending December 31, 1985

86-04159/

Manitoba

Education

Public Schools
Finance Board

506 — 1181 Portage Avenue
Winnipeg, Manitoba, CANADA
R3G 0T3

April 25, 1986

Honourable Jerry Storie
Minister of Education
168 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Sir:

I have the honour to submit, herewith, pursuant to Section 13 of the Public Schools Finance Board Act, the Annual Report of the Public Schools Finance Board, for the year ending December 31, 1985.

The Board held 47 meetings in 1985 to conduct its business. The main activities are outlined in the following pages.

A significant change over previous years was the introduction of an Accelerated Program in terms of Capital Construction Support for 1985. Under this program an additional 15 million capital dollars were committed with major emphasis on the upgrading and renovation of older school buildings that are still structurally sound but are deficient in terms of instruction facilities and systems. This initiative, in addition to the Regular School Construction Allocation of 22 million dollars, provided a total of 37 million dollars towards the provision of required new school facilities and the renovation and upgrading of existing older structures.

The 5 Year Plan, developed for the purpose of identifying facility requirements on a longer range approach and priorization on a province-wide basis, was utilized to ensure that capital resources were allocated equitably having regard where the urgency and need were greatest.

In recognition of shifting enrolment patterns, both in urban and rural settings, which have resulted in the under-utilization and at times, vacancy of fine school buildings, the Board has implemented a response to this

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concern by the provision of High Quality Relocatable classrooms as part of the approved school project. These modular classrooms, forming an integral part of the school building, while responding to the immediate and foreseeable need are readily relocatable as school populations fluctuate. Thus the Province's significant investment in new school facilities is substantially protected in the event of enrolment declines.

In response to societal needs for Day Care facilities, a policy has been adopted to provide such facilities in conjunction with major school building projects. These facilities will be provided through either new construction or renovation of existing available space, subject to the decision of the local school board and the need for such facilities to be determined by the Department of Community Services. In support of this policy the Province has approved 1.2 million capital dollars for 1986 in addition to the capital allocation for school facility projects.

Under this policy the Government assures that no costs, with respect to the operation of Day Care Facilities, will accrue to the local school division.

During the year the Board revised and improved policies and maintained consultation with school boards, the various educational associations and departmental consultants.

Yours respectfully,

A. A. Frechette
Chairman

MAJOR CAPITAL CONSTRUCTION PROJECTS
Initially Approved in 1985

School Division	Project	Estimated Education Support
Winnipeg No. 1	Inkster/Garden Grove - new school	$ 2,775,000.00
	Meadows West - new school	$ 2,430,000.00
	The following projects at a combined support of	$ 8,993,000.00
	Argyle - replacement school	
	Fort Rouge - replacement school	
	Pinkham - replacement school	
	Hugh John MacDonald - renovations	
	Ralph Brown - addition & renovations	
	Shaughnessy Park - addition & renovations	
St. James-Assiniboia No. 2	Linwood - renovations	$ 252,000.00
Assiniboine South No. 3	Linden Woods - new school	$ 2,200,000.00
Fort Garry No. 5	Bairdmore - new school	$ 2,120,000.00
St. Vital No. 6	George McDowell - addition	$ 642,000.00
Seven Oaks No. 10	Belmont - addition & renovations	$ 859,000.00
Lord Selkirk No. 11	Lord Selkirk Regional Secondary - addition & renovations	$ 3,175,000.00
Agassiz No. 13	Centennial - addition & renovations	$ 800,000.00
Hanover No. 15	Mitchell - new school	$ 1,404,000.00

MAJOR CAPITAL CONSTRUCTION PROJECTS
Initially Approved in 1985

School Division	Project	Estimated Education Support
Morris MacDonald No. 19	Rosenort Elementary & Collegiate - addition & renovations	$ 1,433,000.00
Dauphin-Ochre Area No. 1	Smith Jackson - replacement	$ 1,207,000.00
Pelly Trail No. 37	Major Pratt - addition & renovations	$ 400,000.00
Rolling River No. 39	Douglas - addition	$ 478,000.00
	Onanole - replacement school	$ 839,000.00
Brandon No. 40	Crocus Plains Regional - addition	$ 1,957,000.00
	David Livingstone - replacement school	$ 272,000.00
	King George - addition	$ 1,322,000.00
Fort La Bosse No. 41	Reston Elementary & Collegiate - addition & renovations	$ 1,292,000.00
Frontier No. 48	Easterville - new school	$ 1,223,000.00
	Granville Lake - addition	$ 38,000.00
	Red Sucker Lake - new school	$ 122,000.00
	Stevenson Island - new school	$ 244,000.00
Mystery lake No. 2355	R.D. Parker Collegiate - addition & renovations	$ 1,497,000.00
		$ 37,974,000.00

SUMMARY

SCHOOL DEBENTURES PURCHASED BY THE MINISTER OF FINANCE

DURING 1985

School Division	No.	Date(s)		Amount	Total
Winnipeg	1	May	31	$ 1,365,000.00	$ 1,365,000.00
St. James Assiniboia	2	April	15	100,000.00	100,000.00
Assiniboine South	3	April	15	165,000.00	165,000.00
Fort Garry	5	August	30	260,000.00	260,000.00
River East	9	January	15	160,000.00	160,000.00
Seven Oaks	10	January	28	355,000.00	355,000.00
Transcona-Springfield	12	January	15	180,000.00	
		July	31	140,000.00	320,000.00
Agassiz	13	April	15	340,000.00	340,000.00
Seine River	14	January	28	455,000.00	455,000.00
Red River	17	January	28	170,000.00	170,000.00
Interlake	21	May	15	100,000.00	
		September	30	177,000.00	277,000.00
Portage la Prairie	24	August	30	580,000.00	580,000.00
Garden Valley	26	January	15	550,000.00	550,000.00

School Division	No.	Date(s)		Amount	Total
Duck Mountain	34	October	31	$ 500,000.00	$ 500,000.00
Swan Valley	35	August	30	115,000.00	115,000.00
Rolling River	39	April	15	345,000.00	345,000.00
Brandon	40	April	15	350,000.00	
		August	30	440,000.00	790,000.00
Kelsey	45	November	30	220,000.00	220,000.00
	TOTAL FOR SCHOOL DIVISIONS				$ 7,067,000.00
South Winnipeg Technical Centre		January	15	1,150,000.00	
		October	31	900,000.00	2,050,000.00
	TOTAL				$ 9,117,000.00

Summary				
	January	15	-	$ 2,040,000.00
	January	28	-	980,000.00
	April	15	-	1,300,000.00
	May	15	-	100,000.00
	May	31	-	1,365,000.00
	July	31	-	140,000.00
	August	30	-	1,395,000.00
	September	30	-	177,000.00
	October	31	-	1,400,000.00
	November	30	-	220,000.00
				$ 9,117,000.00

Manitoba

THE PUBLIC SCHOOLS FINANCE BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C and Schedules 1 and 2, of The Public Schools Finance Board for the fiscal year ended December 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson, C.A.,
Provincial Auditor.

April 15, 1986,
Winnipeg, Manitoba.

Exhibit A

THE PUBLIC SCHOOLS FINANCE BOARD

Balance Sheet
as at December 31, 1985
(with 1984 figures for comparison)

	1985	1984
A S S E T S		
Cash in bank	$ 3,173,019	$ 315,006
Accounts receivable:		
Government of the Province of Manitoba	9,216,423	4,109,491
Municipal corporations, education support levies	73,043,974	72,227,698
Miscellaneous	271,165	85,202
Prepaid expense	3,316	2,061
	$ 85,707,897	$ 76,739,458
L I A B I L I T I E S		
Accounts payable and accrued charges:		
Education Support	$ 10,620,526	$ 1,901,635
Other	1,526,841	1,502,550
Notes payable on demand, at bank prime -		
Province of Manitoba	65,740,000	68,250,000
	77,887,367	71,654,185
Municipal corporations' education support levies account, Note 5, Exhibit C	7,820,530	5,085,273
	$ 85,707,897	$ 76,739,458

Exhibit B

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Revenue and Expenditure
for the year ended December 31, 1985
(with 1984 figures for comparison)

	1985	1984
Revenue:		
Province of Manitoba, share of the Government Support to Education Program	$ 383,671,332	$ 339,299,374
Municipal corporations, education support levy	183,016,763	180,559,759
	566,688,095	519,859,133
Excess of revenue over expenditure carried forward to municipal corporations' education support levies account, Exhibit C	2,942,593	2,622,618
	$ 563,745,502	$ 517,236,515
Expenditure:		
Government Support to Education Program:		
Education support, Note 6, Schedule 1	$ 555,623,563	$ 509,226,790
Administrative and other expenses, Schedule 2	8,121,939	8,009,725
	$ 563,745,502	$ 517,236,515

Exhibit C

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Municipal Corporations'
Education Support Levies Account
for the year ended December 31, 1985
(with 1984 figures for comparison)

	1985	1984
Balance, beginning of year	$ 5,085,273	$ 2,511,341
Add:		
Excess of revenue over expenditure, Note 2(b), Exhibit B	2,942,593	2,622,618
	8,027,866	5,133,959
Less:		
Adjustment of previous years' education support from estimated to actual, Note 2(c)	43,610	48,686
Adjustment of prior years' levies, Note 3	163,726	-
	207,336	48,686
Balance, end of year, Note 5, Exhibit A	$ 7,820,530	$ 5,085,273

Schedule 1

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Education Support
for the year ended December 31, 1985
(with 1984 figures for comparison, Note 6)

	1985	1984
Operating:		
Block	$ 374,910,953	$ -
Equalization	48,663,756	-
Basic operating	-	316,350,103
Extra operating	-	64,790,978
Pupil	-	8,487,000
Special services	36,110,064	34,316,170
Transportation	25,315,823	25,176,362
Curricula materials	7,378,180	7,392,540
Vocational industrial	4,636,340	4,731,850
Compensatory, Note 2(a)	2,895,427	2,000,000
Bilingualism	2,182,419	-
Small schools, Note 2(a)	1,826,450	-
Native	1,241,656	-
Immigrant	812,920	-
Immigrant/native	-	1,918,446
Early identification, Note 2(a)	250,000	-
Heritage language	224,504	-
Capital:		
Debt servicing, Note 2(a) and Note 4	35,305,981	34,245,324
Other	7,086,773	5,021,008
Buses	5,292,622	3,211,254
Vocational equipment	1,489,695	1,585,755
Total education support, Exhibit B	$ 555,623,563	$ 509,226,790

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Administrative and Other Expenses
for the year ended December 31, 1985
(with 1984 figures for comparison)

	1985	1984
Board members' indemnities	$ 99,668	$ 65,613
Staff salaries, Note 7	413,138	414,818
Professional services	60,498	30,265
Travel and sundry	34,429	25,897
Printing, stationery and supplies	33,960	23,311
Equipment, Note 2(a)	28,721	11,246
Telephone	10,877	9,722
Equipment rentals	5,792	4,352
Interest charges on loans for advances of support	7,434,856	7,424,501
Total administrative and other expenses, Exhibit B	$ 8,121,939	$ 8,009,725

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements
December 31, 1985

1. Nature of the Board's Operations

The Public Schools Finance Board was established by The Public Schools Finance Board Act in April 1967. The objectives of the Board are to facilitate the financing of the Government Support to Education Program for school divisions and to assist boards of school divisions in the economic operation of the school system. The Board is responsible for the administration of the support provided under the Program.

2. Significant Accounting Policies

(a) The accounts of the Board are maintained on an accrual basis, except for: debt servicing support which is expensed on a cash basis; fixed asset purchases which are expensed in the year of acquisition; and compensatory, small schools and early identification support which is provided on a school year basis, to June 30, 1986, and expensed in the year ended December 31, 1985.

(b) Education support requirements are determined in the first instance on the basis of financial budgets of school divisions. The amount of the funding requirements not covered by the Province is raised by municipal corporations. The excess or deficiency of revenue over expenditure is reflected in the municipal corporations' education support levies account.

(c) The education support for previous years is adjusted based on final statistical reports and audited financial statements of the school divisions. The statement of municipal corporations' education support levies account, Exhibit C, reflects the adjustment.

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements
December 31, 1985

3. Adjustment of Prior Years' Levies

The Board approved an adjustment of prior years' levies for uncollectible grants-in-lieu of taxes on federal government properties, where these properties were not within a school division.

4. Debt Servicing

The capital support portion of the Government Support to Education Program includes payments made to service the debenture debt of the school divisions during the fiscal year. The Board has not, however, assumed the legal liability related to the repayment of such long-term debt.

5. Commitments

As at December 31, 1985, the Board has $2,131,130 (1984 - $1,824,370) in outstanding commitments for the purchase of school buses, and $816,000 (1984 - $762,400) for vocational equipment and other capital project approvals carried forward.

6. Education Support

Effective January 1, 1985, support was provided under the new Government Support to Education Program. For 1984, support was provided under the previous Education Support Program. As a result of the change, certain figures are not comparable.

7. Staff Salaries

The Province of Manitoba provides the Board with staff for administrative purposes. A portion of the employees' salaries is charged to the Board's operations.